# GOVERNMENT OF INDIA
# CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
# LOK SABHA

UNSTARRED QUESTION NO:880
ANSWERED ON:31.07.2006
ASSISTANCE FOR CO -OPERATIVE SUGAR MILLS
Ahir Shri Hansraj Gangaram

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

(a) whether the co-operative sugar mills are accruing losses despite the assistance provided by the Union Government;

(b) if so, the number of such loss making co-operative sugar mills in the country;

(c) whether the Union Government exercises some control over the utilization of the Central assistance by these co-operative sugar mills;

(d) if so, whether the Government has reviewed the utilization of the said assistance during the last three years;

(e) if so, the outcome thereof; and

(f) the steps taken to ensure proper utilization of the assistance?

## Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a): Some cooperative sugar mills are accruing losses despite the assistance provided by the Union Government.

(b): As per available information on the basis of reporting cooperative sugar mills, for 2004-05, there are 102 number of cooperative sugar mills in the country which are making losses.

(c), (d), (e) & (f): Yes, Sir. There is already a system in place to monitor utilization of the financial assistance provided to the sugar mills from Sugar Development Fund (SDF). Industrial Finance Corporation of India (IFCI) and National Cooperative Development Corporation (NCDC) have been appointed as the Monitoring Agencies on behalf of the Government to oversee and monitor proper utilization of the loan and implementation of the project. Second instalment, and the balance loan, if any, is disbursed only on submission of utilization certificate towards proper utilization of the earlier instalment. The monitoring agencies submit utilisation certificates as per General Financial Rules after necessary checks like site inspection, verifying books of accounts of sugar factory, Chartered Accountant`s report etc. In case any loan is diverted or not properly utilized as per SDF Rules, the loan is withdrawn and the mill is not to be disbursed further loans.